GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:424
ANSWERED ON:24.08.2000
DEMAND AND SUPPLY OF LPG
PRIYA RANJAN DASMUNSI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the demand and supply position of LPG by the end of 2001;

(b) whether the present pricing pattern of LPG helps the Government in improving the health of the oil sector undertakings; and

(c) if so, the details thereof ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a), (b) & (c) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PART (a) to (c) OF STARRED QUESTION NO. 424 TO BE ANSWERED ON 24.8. REGARDING DEMAND AND SUPPLY OF LPG.

(a) The Liquefied Petroleum Gas (LPG) demand to be met by Public Sector Oil Marketing Companies is estimated to be 8,516 Thousand Metric Tonnes (TMT) for the year 2001-02 while the LPG production from the indigenous sources is estimated to be 7,071 TMT for the year 2001-02. The estimated deficit of 1,445 TMT will be met through imports.Further, Government have permitted private parties to import LPG under Parallel Marketing Scheme (PMS).

(b) & (c): At present, domestic LPG is a subsidised petroleum product.The current level of subsidy on domestic LPG is Rs. 125/- per cylinder. LPG for commercial use is sold at market determined prices. The Government in November, 1997 decided to dismantle the Administered Pricing Mechanism (APM) in a phased manner which inter-alia stipulated that the subsidy on domestic LPG would be reduced to 15% of its import parity price by the year 2000-01.